

Message Text

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PAGE 01 SANTIA 04707 01 OF 02 072336Z

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ACTION ARA-10

INFO OCT-01 SS-14 ISO-00 AID-10 NSC-07 NSCE-00 CIAE-00

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MC-02 IGA-01 EUR-10 DRC-01 /085 W

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P R 072136Z AUG 74

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC PRIORITY 9725

INFO AMEMBASSY LIMA

S E C R E T SECTION 1 OF 2 SANTIAGO 4707

LIMDIS

EO 11652: GDS

TAGS: CI, PE, PFOR, MILI

SUBJECT: CONTINGENCY STUDY: CHILE/PERU

REF: NSC:IG MEMORANDUM DATED JULY 26, 1974

1. SUMMARY. FOLLOWING OBSERVATIONS AND RECOMMENDATIONS ON DRAFT CONTINGENCY PLAN REPRESENT CONSENSUS COUNTRY TEAM COMMENTS. WE AGREE WITH FUNDAMENTAL OBJECTIVES STAKED OUT BY STUDY, BUT FEEL THAT IT DOES NOT GIVE ADEQUATE WEIGHT TO EXISTING DISEQUILIBRIUM AND ITS CONSEQUENCES. END SUMMARY.

2. OUR PRIME CONCERN WITH PAPER IS REFLECTED IN CONTRADICTION EXHIBITED IN REGARD TO TREATMENT OF PROBLEM OF "IMBALANCE" IN ARMS, WHICH WE BELIEVE NOW STRONGLY FAVORS PERU. LAST SENTENCE PAGE ' RECOGNIZES FACT THAT PURCHASES OF SOVIET TANKS HAS "CREATED THE KIND OF ARMS IMBALANCE THAT COULD PRECIPITATE AN ARMS RACE AND COULD EVENTUALLY LEAD TO CONFLICT." EMBASSY LIMA'S ESTIMATE THAT PERU MAY HAVE 150 T-55'S, AND PERU'S QUALITATIVE ADVANTAGE IN THE AIR, LEAD IN OUR OPINION TO SAME CONCLUSION, OBVIOUSLY SHARED BY GOC. THUS, MASSIVE IMBALANCE IN FAVOR PERU ALREADY EXISTS, AND GOC IS ACTING UPON THAT ASSUMPTION. HOWEVER, REST OF DRAFT PAPER REFERS REPEATEDLY TO POSSIBILITY THAT SUCH AN

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PAGE 02 SANTIA 04707 01 OF 02 072336Z

IMBALANCE MAY RPT MAY DEVELOP IN FUTURE (E.G., SEE PAGE 27, PARA 2).

3. WE ALSO QUESTION APPARENT ASSUMPTION IN PAPER (PAGE 6) THAT A CHILEAN PREEMPTIVE STRIKE AGAINST PERU IS NO LESS LIKELY THAN A PERUVIAN ATTACK TO REGAIN LOST TERRITORY AND HONOR. A CHILEAN PRE-EMPTIVE STRIKE IN ABSENCE OF IMMEDIATE PERUVIAN THREAT AS DESCRIBED PARA 4 BELOW WOULD BE IRRATIONAL AND IMPRUDENT IN LIGHT OF CHILE'S WEAKNESS IN MATERIEL AND LOGISTICS. CHILE COULD HARDLY MAKE A DENT IN PERUVIAN FORCES, AND, AS WE SEE IT, CHILE DOES NOT NOW HAVE CAPABILITY TO SEIZE AND HOLD PERUVIAN TERRITORY. ONLY WEAPON IN CHILEAN INVENTORY CAPABLE OF ANY SORT OF SURPRISE ATTACK AGAINST PERUVIAN ARMORED UNITS IN PERU WOULD BE SMALL FORCE OF HAWKER HUNTER FIGHTERS. AT MOST, WITH PERUVIAN AIR GUARD DOWN, HUNTERS MIGHT REACH AREQUIPA AND HIT A FEW TANKS. RESULT WOULD ONLY BE TO IRRITATE AND PROVOKE PERU. WE SEE NO REASONABLE PROBABILITY THAT CHILE COULD POSITION GROUND FORCES WITHIN STRIKING RANGE OF IMPORTANT PERUVIAN CONCENTRATIONS WITHOUT THOROUGHLY ALERTING PERU. EVEN ASSUMING SURPRISE WERE ATTAINED, THE CHILEANS WOULD BE HOPELESSLY OUTGUNNED IN TANKS AND OTHER WEAPONS. FINALLY, WE HAVE NO EVIDENCE WHATEVER THAT ANY CHILEAN PLANNERS HAVE BEEN SO FOOLHARDY AS TO CONSIDER AN AGGRESSIVE MOVE IN PRESENT CIRCUMSTANCES.

4. WHEN WE HAVE TALKED OF CHILEAN PREEMPTIVE STRIKE (I.E., SANTIAGO 1976), IT HAS ALWAYS BEEN IN SENSE OF DESPERATE ATTEMPT TO DAMAGE PERUVIAN ATTACK ALREADY UNDERWAY TOWARD BORDER FROM PERUVIAN BASES, OR CLEARLY ABOUT TO ROLL. THIS ASSUMES PERIOD OF TENSION DURING WHICH CHILEANS WOULD HAVE MOVED UP THEIR AVAILABLE STRENGTH INTO ARICA AREA. WHILE HITTING PERUVIAN COLUMNS ON WAY TO BORDER IN CLEAR CONFLICT SITUATION PERHAPS BEFORE ANY ACTUAL PERUVIAN VIOLATION OF CHILEAN TERRITORY MAY BE CONSIDERED "PREEMPTIVE STRIKE," FOR ALL PRACTICAL PURPOSES IT WOULD BE IN RESPONSE TO WHAT GOC WOULD SEE AS A FINAL COMMITMENT TO WAR BY GOP. THIS IS NOT SITUATION PAPER APPARENTLY CONTEMPLATES. WE BELIEVE GOC WISHES TO AVOID WAR WITH PERU AT ALMOST ANY COST SHORT OF GIVING UP TERRITORY. THUS WE RATE AGGRESSIVE ATTACK BY PERU AS MORE LIKELY THAN WHAT WOULD PROBABLY BE A FUTILE CHILEAN INITIATIVE. IN OUR JUDGMENT PAPER SHOULD REFLECT THIS ESTIMATE.

5. WE HAVE PROBLEMS WITH THE PROPER INTERPRETATION OF THE
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PAGE 03 SANTI 04707 01 OF 02 072336Z

ASSUMPTION, STATED IN PARA 6 ON PAGE 10, THAT THE U.S. WILL PURSUE AN EVENHANDED APPROACH IN ITS SECURITY ASSISTANCE TO PERU AND CHILE. WHAT IS EVENHANDEDNESS? IS IT PRECISELY EQUAL SHIPMENTS OF SAME MATERIEL TO TWO COUNTRIES? IF NOT, DOES IT CONSIST OF PROVISION OF DIFFERING TYPES OF MILITARY AID TO TWO COUNTRIES, AT SUBSTANTIALLY EQUAL LEVEL, BY FINANCIAL OR OTHER CRITERION? IN EITHER CASE, HOW DOES EVENHANDEDNESS OPERATE TO OVERCOME ROOT CAUSE OF PRESENT PROBLEM -- THAT IS, THAT WITH

THEIR OVERWHELMING SUPERIORITY, PERUVIANS COULD BE IN POSITION TO "JUMP" CHILE IN NEAR FUTURE, WHILE CHILEANS DO NOT POSSESS EITHER OFFENSIVE OR DEFENSIVE MATERIEL NEEDED FOR CHILE'S PROTECTION.

6. IN OUR JUDGMENT EVENHANDEDNESS NEEDS TO BE DEFINED IN MORE DETAILED TERMS. WITH RESPECT TO FOREIGN MILITARY SALES AND CREDIT UNDER FOREIGN ASSISTANCE ACT, WE APPRECIATE THAT FAVORING EITHER PERU OR CHILE AT THE EXPENSE OF THE OTHER WOULD CAUSE SERIOUS DIPLOMATIC AND POLITICAL PROBLEMS FOR U.S. ON OTHER HAND, AS REGARDS PROVISION OF MILITARY HARDWARE WHETHER THROUGH PURCHASE OR THROUGH USG LOAN, IT SEEMS TO US THAT USG MUST REALISTICALLY LOOK AT ITS FUNDAMENTAL OBJECTIVE, WHICH WE TAKE TO BE A DESIRE TO BUILD IN MILITARY DETERRENTS WHICH WILL STABILIZE SITUATION AND DIMINISH INCENTIVES TO OR LIKELIHOOD OF CONFLICT. IF THIS ASSUMPTION IS CORRECT WHAT IS REQUIRED IS U.S. ASSISTANCE TO THE WEAKER PARTY -- I.E., CHILE -- IN ORDER TO BUILD UP ITS CAPABILITY, WHILE ASSISTANCE TO PERU, THE STRONGER, IS GIVEN THROUGH PROVISION OF PERIPHERAL OR AT LEAST NON-OFFENSIVE ITEMS. CONCRETELY, THIS WOULD MEAN THAT AT THIS JUNCTURE PROVISION OF, SAY, M-48 TANKS AND TOW ANTI-TANK WEAPONS TO CHILE WOULD BE VIEWED AS AN ACTION DESIGNED TO REDRESS AN EXISTING IMBALANCE; IF PERU NEEDED TO BE COMPENSATED, THIS SHOULD BE DONE IN WAYS WHICH WOULD INCREASE PERU'S DEFENSIVE RATHER THAN OFFENSIVE CAPABILITY.

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PAGE 01 SANTIAGO 04707 02 OF 02 072315Z

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ACTION ARA-10

INFO OCT-01 SS-14 ISO-00 AID-10 NSC-07 NSCE-00 CIAE-00

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S E C R E T SECTION 2 OF 2 SANTIAGO 4707

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7. THUS, IF WE ARE TO PROVIDE M-48S AND TOW'S IN ADDITION TO F-5 AIRCRAFT TO CHILE, PAPER SHOULD CONSIDER RATIONALE THROUGH WHICH THIS CAN BE JUSTIFIED TO PERU AND TO OTHERS INTERESTED. IN THIS CONNECTION, PARA G ON PAGE 21, WHICH ASSUMES A FUTURE RATHER THAN A PRESENT PERUVIAN THREAT TO CHILE, SEEMS TO US ALREADY OUT-DATED. SO DOES REFERENCE ON PAGE 12 TO POSSIBILITY OF SOVIET "RESTRAINT IN ITS MILITARY SALES TO PERU." TIME FOR THAT POSSIBILITY PASSED WHEN SOVIET TANKS, WITH ADVISERS, REACHED PERU IN SUCH NUMBERS.

8. WE ARE ALSO CONCERNED AS TO THE PRACTICABILITY OF SUGGESTION ON PAGE 28 THAT IN CASE OF WAR U.S. MIGHT PROPOSE THAT CHILE GRANT BOLIVIA CORRIDOR TO SEA ALONG NORTHERN BORDERS. BOTH WE AND CHILEANS ASSUME IN CASE OF WAR THAT PERU WILL PROBABLY BE ABLE TO TAKE AND HOLD THIS AREA. UNDER THESE CIRCUMSTANCES, CHILE WOULD BE OUTRAGED BY ANY SUCH PROPOSAL BY U.S. AND WOULD CONSIDER IT BLATANT EVIDENCE OF U.S. SUPPORT FOR PERUVIAN AND BOLIVIAN THEFT OF CHILEAN TERRITORY. WE DOUBT THAT ANY CIRCUMSTANCES OTHER THAN COMPLETE DEFEAT IN WAR WOULD INDUCE CHILE TO CEDE NATIONAL TERRITORY.

9. WE ARE SKEPTICAL THAT ANDEAN PACT WILL BE EFFECTIVE MECHANISM FOR ARMS LIMITATION. PACT IS ESSENTIALLY ECONOMIC ORGAN-
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PAGE 02 SANTIA 04707 02 OF 02 072315Z

IZATION, AND HAS SEVERE PROBLEMS EVEN IN THAT FIELD. USE OF PACT IS EVENT LESS PRACTICAL IF PERUVIAN INTENTIONS ON LIMITATIONS ARE NOT SINCERE -- AS INDICATED BY LIMA 1307.

10. PAGE 23 PARA K ADDRESSES LAST RESORT POSSIBILITY OF U.S. RESTRICTION OF ECONOMIC AID TO DISCOURAGE ARMS PURCHASES. AS NOTED, THIS WOULD HURT CHILE MORE THAN PERU AND THUS WOULD NOT MEET "EVENHANDEDNESS" CRITERION. MORE IMPORTANTLY, WE DOUBT VERY MUCH THAT U.S. ACTION WOULD ACHIEVE DESIRED RESULT IF GOC AND GOP CONVINCED HOSTILITIES WERE LIKELY. NEITHER WOULD SACRIFICE WHAT IT CONSIDERS OVERRIDING NATIONAL SECURITY INTERESTS.

11. CERTAIN MINOR POINTS MIGHT RECEIVE SOME ATTENTION IN DRAFT: A) BRAZILIAN MILITARY ASSISTANCE MENTIONED ON PAGE 9 HAS SO FAR BEEN LIMITED TO RELATIVELY UNIMPORTANT SUPPLIES SUCH AS TRUCKS. WE CONSIDER IT UNLIKELY ON EVIDENCE AVAILABLE THAT BRAZIL CAN BE CONSIDERED IMPORTANT IN THIS DISCUSSION, AS IT CAN SUPPLY NONE OF THE SIGNIFICANT WEAPONS WANTED BY THE CHILEAN MILITARY. B) IT MAY BE MORE ACCURATE ON PAGE 3 TO SAY THAT CHILE IS CONVINCED PERU IS BEING USED AS PART OF A SOVIET/CUBAN INSPIRED INTERNATIONAL MARXIST CONSPIRACY...C) SUGGEST INSERTION WORDS "TO SOME DEGREE" BETWEEN "DENIED" AND

"SECURITY ASSISTANCE" NEAR END PENULTIMATE PARA D PAGE 3.
PHRASE "BLOODSHED AND REPRESSION" ON PAGE 3 SHOULD BE REPLACED
WITH "CIRCUMSTANCES," AND THE WORD "SOME" INSERTED BEFORE
"WESTERN NATIONS." D) DANGER TO AMCITS COULD EXTEND TO THOSE
LOCATED IN NORTHERN CHILE AS WELL AS TO THOSE SUBJECT TO CHILEAN
NAVAL BOMBARDMENT IN PERUVIAN COASTAL CITIES.

12. COMMENT. WHILE FOREGOING REMARKS MAY SEEM TO BE SPECIAL
PLEADING FOR CHILE, THEY ARE NOT OFFERED IN THAT SPIRIT. RATHER,
THEY ARE DESIGNED TO MAKE POINT THAT, IN OUR VIEW. THE AGREED
U.S. OBJECTIVE OF DETERRING MILITARY ADVENTURES OR A CONTINUING
ARMS RACE CAN BEST BE ACHIEVED AT THIS STAGE BY PRUDENT STEPS
TO INCREASE CHILE'S DEFENSIVE CAPABILITY AND THUS REDUCE PRESENT
PERUVIAN ARMS SUPERIORITY. WE RECOGNIZE THAT SUCH A COURSE IS
LIKELY TO PRODUCE ADDITIONAL STRAINS IN OUR RELATIONS WITH
PERU, AND THAT THIS IS AN IMPORTANT FACTOR TO BE TAKEN INTO
ACCOUNT. BUT WE SUGGEST THAT SOME CHANGE IN EMPHASIS MAY BE
IN ORDER IN WHAT IS IN GENERAL AN EXCELLENT NSC/IG MEMORANDUM.
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PAGE 03 SANTI 04707 02 OF 02 072315Z

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